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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC., FOR APPROVAL OF)	CASE NO. 9038
GAS PURCHASES UNDER A SPECIAL)	
EMERGENCY ASSISTANCE PROGRAM)	

O R D E R

On June 28, 1984, the Commission approved Columbia Gas of Kentucky, Inc.'s, ("Columbia") participation in an experimental Special Emergency Assistance Program ("Program") with Citizens Energy Corporation ("Citizens"). On July 29, 1985, Columbia filed with the Commission an interim report summarizing Program activity for the 1984-85 Program year and a request for authorization of a one-year extension of the Program for 1985-86 with an option to continue the Program through 1986-87.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. The Program will provide additional funds for the assistance of the needy in paying natural gas bills;
2. The Program will not place undue burden on Columbia's customers who will not receive benefits from the program;
3. The Program may help reduce the level of Columbia's uncollectable accounts;

4. The General Assembly mandated a policy of the Commission to facilitate the movement of locally produced natural gas. The Program may provide a market for previously shut-in, locally produced natural gas;

5. A full accounting of the Emergency Assistance Fund should be provided to the Commission on a monthly basis upon completion of each Program year;

6. Columbia should not increase its administration expenses as a result of the Program; and

7. The guidelines for disbursement of the Emergency Assistance Fund to the needy should be submitted to the Commission for approval prior to the disbursement of any funds.

IT IS THEREFORE ORDERED that Columbia be and it hereby is granted authority to enter into gas purchases under the Special Emergency Assistance Program as outlined in Columbia's filing.

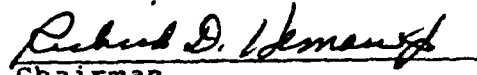
IT IS FURTHER ORDERED that Columbia shall certify to the Commission by letter upon implementation of the Program that the natural gas being purchased from Citizens is produced locally or, in the alternative, that it is less expensive to Citizens than local production would be (with documentation).

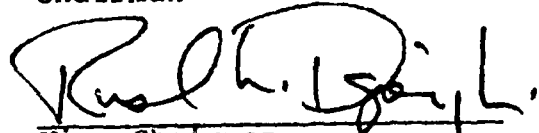
IT IS FURTHER ORDERED that Columbia shall provide the Commission with a full accounting for the EAF (including but not limited to receipts, deductions and disbursements) upon completion of each Program year in July, 1986 and 1987. Included with the complete accounting shall be Columbia's assessment of the Program.

IT IS FURTHER ORDERED that Columbia shall submit the guidelines for disbursement of the Emergency Assistance Fund to the Commission for approval and/or revision prior to disbursements of any funds.

Done at Frankfort, Kentucky, this 10th day of October, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary